GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:657
ANSWERED ON:21.11.2001
FAILURE OF KVIC
ADHIR RANJAN CHOWDHURY

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether Khadi and Village Industries Commission failed to evolve an effective system to evaluate projects and institutions for grant of loans for watching recoveries;

(b) whether huge amount was pending for recovery as on March, 2000;

(c) if so, the details thereof;

(d) whether Government have rejected the proposal of setting up of National Institute of rural Industrialisation at Vardha for which foundation laying ceremony was fixed for October 2, 2001; and

(e) if not, the reasons therefore?

Answer

THE MINISTER OF AGRO & RURAL INDUSTRIES (SHRI KARIYA MUNDA)

a): KVIC has not been conceived as a financial institution and, as such, it has limited expertise in project appraisal and recovery of loans. It is mainly a promotional and facilitating organization.

b): Yes Sir.

c): Rs. 2315.51 crores had been disbursed as loans upto 31.3.2000 and the amount recovered, till that date, is Rs. 508.91 crores. The entire amount disbursed is not due for recovery immediately.

d): No Sir.

e): Does not arise.